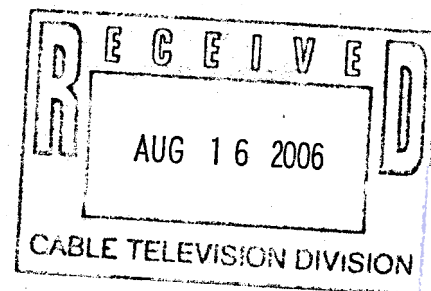


MBR

MASSACHUSETTS BUSINESS ROUNDTABLE



Testimony of Alan G. Macdonald
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The Massachusetts Business Roundtable (MBR) is a non-profit, nonpartisan, statewide organization of chief executive officers representing Massachusetts' leading industries and business enterprises. Our mission is promoting the economic and social vitality of Massachusetts by addressing critical infrastructure and policy issues, especially in the areas of health care, transportation, workforce training, and education reform.

MBR is here to testify in support of the proposal to shorten the timeline associated with granting competitive cable franchises in Massachusetts.

Technological advances in cable communications have made state-of-the-art telecommunications an indispensable tool for businesses in today's economy. We have seen states such as Texas and Virginia take aggressive steps to streamline the licensing process for cable franchises. We want to see Massachusetts lead those states, or at the very least keep pace with those states, in building a telecommunications network that is so important to the Massachusetts economy.

For the past three decades, MBR has endorsed a number of sound public policies to improve our state's infrastructure, from public capital investment programs in the 1980's, to school improvement programs in the 1990's, to commercial permitting policies in the 2000's. Most recently, we have been working with state leaders on proposals to provide health care insurance coverage for all Massachusetts citizens and to plan for financing the state's twenty-year transportation plan.

I mention these subjects of health care, transportation, education and commercial development, because sometimes the concerns in these areas may seem too complicated for common resolve. In fact, however, Massachusetts has found common resolve to improve educational performance, expand health care access, streamline commercial permitting, and coordinate statewide transportation plans. This can be done, also, in the field of telecommunications, and it must be done to keep Massachusetts at the forefront of the modern economy.



In recent years, the core of our state's economy has grown substantially in the areas health care, financial services, education and technology. Today, each of those sectors relies heavily on a robust communications infrastructure for its success. As a state, we need to find ways to encourage our key industries to grow here; and we need to find ways to encourage business – in this case the communications industry – to make more investments in state-of-the-art technologies that support our economy.

In this proceeding, the Cable Division is being asked to create a shorter, more predictable process for approving cable franchises. MBR supports this proposal, because it will introduce more choice and competition to the Massachusetts communications marketplace, and it will drive more investment in the state's vital infrastructure.

Texas, as mentioned above, is a state that has taken measures on a statewide basis to encourage cable competition and attract communications infrastructure investment. A new competitive carrier can be in business in Texas in seventeen days by agreeing to terms that compensate local communities, carry local channels and abide by local rights-of-way authority. We need to be aware of how other states compete for this infrastructure investment, and put Massachusetts in position to be successful in attracting the same kind of investments.

On a personal note, I have seen the need for a shorter, more predictable process on the local level. As a selectman in Winchester twenty-six years ago, I was engaged in the first years of the local cable franchising in that community. More recently, I witnessed the year-and-a-half process for granting a second license for a cable operation in Winchester. It may have made sense to have a multi-step, RFP-like process in the 1970's and 1980's, but that process is too drawn out in today's faster-paced economy.

In the current drawn-out process at the local level, communities spend time and resources to reach an agreement that could be reached in much shorter time and much less expense. My community spent over \$20,000 on local counsel, hundreds of hours of volunteer time, and months of delay in allowing competition for communication services. The proposal before you puts parties together faster by giving a deadline to reach agreement. My experience in this and other matters is that negotiating parties generally fill the time available for negotiation, however short or long that permitted time frame may be.

This area of public policy is not more complicated than other areas mentioned above. Massachusetts has an opportunity to improve the state's infrastructure by attracting investment through competition and choice. MBR urges approval of the proposal to encourage growth, innovation and investment across the private sector in Massachusetts.